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No. 94-1055

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In the Supreme Court

OF THE

United States

OCTOBER TERM, 1994

SYSCO CORPORATION,

Petitioner,

VS.

TONE BROTHERS, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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STATEMENT OF THE CASE

INTRODUCTION

Petitioner, Sysco Corporation ("Petitioner"), seeks to have this Court review the sound decision of the Court of Appeals for the Federal Circuit ("Federal Circuit") which vacated and remanded with instructions the judgment of the United States District Court for the Southern District of Iowa ("District Court"). The District Court erroneously granted Sysco's motion for summary judgment against

Respondent, Tone Brothers, Inc.[1] ("Respondent") on two counts: (1) dismissing Respondent's claim for patent infringement after finding that Respondent's design patent was invalid under the public use bar of 35 U.S.C.A. § 102(b) (West 1984); and dismissing Respondent's claim for trade dress infringement after finding that Respondent's trade dress was unprotectable under § 43(a) of the Lanham Act, 15 U.S.C.A. § 1125(a) (West Supp. 1994). In reaching its decision the Federal Circuit concluded that on the record before it, with respect to both the issue of the validity of Respondent's design patent and the protectability of its trade dress, there were genuine material issues of fact which were in dispute and which made summary judgment inappropriate.

Petitioner presents the following two questions:

> (1) Did the Federal Circuit, in vacating and remanding the District Court's grant of summary judgment, create a conflict with its own design patent precedent and the policy of the United States Patent and Trademark Office ("PTO") regarding design patents (Petition, p. 8); and (2) Does the Federal Circuit's decision create a conflict with the trade dress law in the Eighth Circuit and the potential for "anomalous consequences" under this Court's recent decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, *reh'g denied*, 113 S. Ct. 20 (1992) (Petition, p. 15).

Respondent respectfully requests that this Court deny Sysco's Petition for Writ of Certiorari and thus allow to stand the Federal Circuit's remand of this case to the District Court where the material factual issues may be properly resolved, in order that the validity of Respondent's

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[1] The present parent corporation of Tone Brothers, Inc. is Burns Philp Food Inc., a California corporation, with a principal place of business at 222 Sutter Street, San Francisco, California 94108.

design patent and the protectability of its trade dress may be determined. As recognized by the Federal Circuit, these are issues more suitable for determination by the District Court than either the Federal Circuit or this Court. The Federal Circuit's opinion is reported at *Tone Brothers, Inc. v. Sysco Corp.*, 28 F.3d 1192 (1994).

REASONS WHY THE PETITION SHOULD BE DENIED

Rule 10.1 of the Supreme Court Rules makes it abundantly clear that review by this Court is not a matter of right, but rather is granted within the sound discretion of this Court and *only* when there are "special and important reasons" to do so. *Texas v. Jimmy Lloyd Mead*, 465 U.S. 1041 (1984); *United States v. Johnston*, 268 U.S. 220 (1925); *see generally* Robert L. Stern *et al.*, *Supreme Court Practice* § 4.14 (7th ed. 1993). Thus, it places a heavy burden upon the Petitioner for a writ of certiorari to come forth with compelling reasons for this Court to invoke its discretionary jurisdiction. It is simply not enough that the Petitioner does not like the decision of the Federal Circuit.

Here, Petitioner has artfully attempted to fit this case into one of the few categories outlined in Rule 10.1 where the Court may intervene. However, for reasons to be subsequently addressed, this case is *not* appropriate at this time for intervention at this level. This case does not present any unsettled issue requiring resolution by this Court; even if it did, this case has not advanced to a stage to allow for meaningful and efficient review by this Court. The case has simply been remanded to the trial court for resolution of certain specifically identified questions of material fact.

The present dispute is a conventional design patent infringement and trade dress case which involves no unsettled questions of law. It is merely a case in which the Federal Circuit identified questions of material fact which bear on

the validity of the design patent and the protectability of the trade dress. These factual determinations were thought by the Federal Circuit to be more appropriately made by the District Court than by the appellate court and *before* any determinations on liability and the like could be made. In vacating and remanding the case to the District Court, the Federal Circuit was careful to clarify the applicable law relating to the following two key issues in the case for the purpose of remand: (1) the applicability of the experimental use exception to the public use defense to the validity of a design patent; and (2) the appropriate legal basis for determining if a particular trade dress is protectable. Thus, the questions and arguments framed by Petitioner present no new or unsettled issue of general importance appropriate for this Court. Further, it identifies no conflict between the analysis of the Federal Circuit and any of its own precedent or the precedent in any other circuit, including the Eighth Circuit. According, Petitioner's request for review should be denied.

ANY REVIEW BY THIS COURT SHOULD BE OF A COMPLETE RECORD

In reversing the District Court's grant of summary judgment on the patent and trade dress issues, the Federal Circuit made it explicit that it was doing so because there were "genuine issues of material fact in dispute" which made summary judgment inappropriate. *Tone*, 28 F.3d at 1195. The District Court was thus instructed to again consider the case and to complete the factual record consistent with the Federal Circuit's directions.

On the patent question, the court remanded the case to the District Court to specifically determine whether the use made of Respondent's design more than a year before Respondent applied to patent that design qualified as a bona fide experimental use, negating what would otherwise be

considered a public use within the meaning of § 102(b). *Tone*, 28 F.2d at 1200. On this issue, the Federal Circuit referred to its earlier decision in *TP Laboratories, Inc. v. Professional Positioners, Inc.*, 724 F.2d 965, 971-972 (Fed. Cir. 1984), *cert. denied*, 469 U.S. 826 (1984) to instruct the District Court on the factual determinations which must be made before deciding the issue of experimental use, and finally that of public use under § 102(b).

On the trade dress issue, the Federal Circuit found that the record before it was deficient as there had been no determination made whether Respondent's trade dress was inherently distinctive and whether private labeling renders an inherently distinctive trade dress incapable of serving as an indicator of origin and thus non-protectable. *Tone*, 28 F.3d at 1206-07. The court noted that inasmuch as the parties had yet to brief this latter issue concerning the impact of private labeling on an otherwise inherently distinctive trade dress, there remained genuine issues of material fact. The District Court was instructed to resolve these facts in order to complete the record on the issues of secondary meaning and inherent distinctiveness of a trade dress before deciding the ultimate trade dress issue. *Tone*, 28 F.3d at 1207.

Therefore, given the present state of the record in this case, this Court should decline to enter this dispute at this stage and allow the District Court to complete the record as instructed by the Federal Circuit. Once the District Court has resolved the factual questions of experimental use of a patented design and the secondary meaning and inherent distinctiveness of a trade dress, this Court, if later called upon, may make an efficient review of the only type of record it should consider — a complete record.

THE FEDERAL CIRCUIT'S DECISION IS NOT IN CONFLICT WITH ITS OWN PRECEDENT OR WITH THE PTO POLICY

Contrary to Petitioner's assertion, the Federal Circuit's decision does *not* create any conflict with that court's own precedent as it relates to design patents. If anything, its decision *decreases* or eliminates any uncertainty in this area by clarifying the application of experimentation to the public use defense to the validity of design patents. In its decision the Federal Circuit, while explicitly acknowledging that the present case involved an issue not previously addressed by it, was careful to discuss why its analysis and decision in this case was *not inconsistent* with its own prior leading precedent (*In re Mann*, 861 F.2d 1581 (Fed. Cir. 1988)) on the issue of the experimental use exception. The court specifically noted that *Mann* involved issues that were different from those that must be addressed in the present case. *Tone*, 28 F.3d at 1199. In acknowledging these differences, the court carefully framed the issue of first impression with which it was confronted in this case, *i.e.*, whether experimentation involving the functional aspects of a product to which a design patent relates can be a non-public use. *Tone*, 28 F.3d at 1199-1200. The Federal Circuit's analysis also explicitly acknowledged and incorporated the public policy behind the experimental use exception as set forth in the court's own prior cases. *Id.*

In light of this detailed analysis of both law and fact, any argument that the Federal Circuit's decision is inconsistent with its own precedent or creates *greater* uncertainty in this area is unfounded. Moreover, taking into account the Federal Circuit's exclusive jurisdiction of appeals in patent cases (28 U.S.C.A. § 1295(a)(1)) (West 1993), there is simply no possibility at all for inconsistency with respect to decisions concerning design patent infringement from other circuits. Further, inasmuch as decisions of the PTO are also

subject to the review and determination by the Federal Circuit, there is no inconsistency or conflict created by this decision with any prior rulings or policy of this body either.

Only one specific argument made by Petitioner relating to this basis for this Court's intervention begs a further response. Petitioner has argued that:

> [t]he doctrine of experimental use cannot apply to unclaimed functional features of a design because, by definition, "experiments" directed to any such functional features are not directed to an invention *claimed* in a design patent. *In re Brigance*, 792 F.2d 1103 (Fed. Cir. 1986).

Petition pp. 13-14.

However, the Federal Circuit explicitly rejected this analysis in its decision (also referencing the *Brigance* decision) addressing the same argument made by Petitioner on appeal to the Federal Circuit. In response to Petitioner's argument below, the court explained as follows:

> Thus, contrary to Sysco's [Petitioner's] suggestion, we do not think applicable to this case the settled law on *utility* patents that experimentation performed with respect to non-claimed features of the device cannot negate the effect of activities that would otherwise bar patentability under section 102(b) (citation omitted).

Tone, 28 F.3d at 1199, n 5 (emphasis added).

In light of the Federal Circuit's detailed, consistent and thorough resolution of the issues before it, Petitioner's first ground in support of its petition is without merit.

THE FEDERAL CIRCUIT'S DECISION IS NOT IN CONFLICT WITH THE TRADE DRESS LAW OF THE EIGHTH CIRCUIT; NOR DOES IT CREATE ANOMALOUS CONSEQUENCES UNDER THIS COURT'S RECENT *TWO PESOS* DECISION

As with Petitioner's first basis for requesting intervention by this Court, Petitioner's second basis for intervention is equally without merit. The decision below does not conflict with the trade dress law of any circuit, including the Eighth Circuit. Nor is the possibility created for any anomalous consequences under this Court's recent decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 112 S. Ct. 2753, *reh'g denied*, 113 S. Ct. 20 (1992).

Inasmuch as the Federal Circuit explicitly acknowledged that it must (as it did) defer to the law of the Eighth Circuit and the relevant decisions of this Court to resolve questions concerning trade dress claims, there is no inconsistent result to be had. *Tone*, 28 F.3d at 1200-1201. Having acknowledged the state of the law at the time of its opinion, including this Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.*, the District Court is now provided the guidance necessary to move forward with determining whether Respondent's trade dress is protectable.[2] Accordingly, there is no conflict whatsoever. Nor is there any question concerning the applicable law.

Petitioner's reference to a further 1994 decision of the Eighth Circuit, *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863 (8th. Cir. 1994), relating to determinations of secondary meaning in no way indicates any conflict between the

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[2] This Court's decision in *Two Pesos, Inc. v. Taco Cabana, Inc.* was rendered after the District Court granted Petitioner's motion for summary judgment but before the Federal Circuit rendered its decision below.

circuits raised by the Federal Circuit's decision.[3] The District Court, as it should, will on remand apply the law of the Eighth Circuit (including *Aromatique*) and the law of this Court (including the *Two Pesos* decision). With this approach there will be no inconsistent result and, if such a result is created, it can and will be timely addressed by the appellate process in due course.

Though the issue does not necessarily flow from Petitioner's first two points, Petitioner does make one additional plea for intervention by this Court which should be addressed. Petitioner asserts that the Federal Circuit's analysis raises the possibility that Respondent's bottle design may be protectable by both a design patent and Lanham Act § 43(a) trade dress. Petitioner fears that this scenario creates the possibility that protection for Respondent's bottle design might extend past the normal expiration date of its patent protection, a result described by Petitioner as "anomalous." Though this question is an interesting one, it is hardly ripe for determination by this Court.

Petitioner's argument must fail in light of what was (and what was not) actually decided by the Federal Circuit. Based on its analysis of Eighth Circuit law and the *Two Pesos* case, the Federal Circuit found, on the facts before the District Court, that the District Court's *summary* determination that there was no issue of material fact relating to secondary meaning was improper. The Federal Circuit further found that the District Court had confused the issue of inherent distinctiveness with secondary meaning, *Tone*, 28 F.3d 1206, and that the law of the *Two Pesos* case (which

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[3] Even though the Eighth Circuit's decision in *Aromatique, Inc. v. Gold Seal, Inc.* was decided one day (July 6, 1994) before the Federal Circuit decided the present case, the Court's decision on rehearing came five (5) days (September 20, 1994) after the Federal Circuit's decision on rehearing and was thus not considered below.

had not been decided at the time the District Court rendered its decision) applied.

Finally, the Federal Circuit noted that there was still a question as to whether the private labeling which had occurred, even if the bottle shape was inherently distinctive, rendered the trade dress incapable of serving the trademark function as an indicator of origin. *Tone*, 28 F.3d 1206-1207. Under these circumstances there has been no decision of any court below which even begins to raise the question which Petitioner now suggests this Court take up, concerning the propriety of both trade dress and design patent protection for a given device, and the length of time such protections should apply.

CONCLUSION

For the foregoing reasons, the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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